NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2025_2 EXAMINATIONS

COURSE TITLE:	**INTRODUCTION TO INTERNATIONAL ECONOMICS**
COURSE CODE:	**ECO 344**
CREDIT UNITS:	**3 UNITS**
TIME ALLOWED:	**3 HOURS**
INSTRUCTION:	**ANSWER QUESTION ONE AND ANY OTHER THREE (3) QUESTIONS**

QUESTION ONE
1a. Appraise the meaning of production possibility frontier (PPF) as it relates to trade
(8 marks)
1b. Describe the three (3) conditions that determine general equilibrium in a closed economy
(9 marks)
1c. Succinctly explain the meaning of gain from specialisation in international trade
(8 marks)

QUESTION TWO
Modern international trade is characterized by specialization and exchange. Discuss!
(15 marks)

QUESTION THREE
3a. Discuss any three (3) reasons why the global economy needs to be integrated through trade?
(8 marks)
3b. Distinguish between the Residual-claimant theory and Bargaining theory
(7 marks)

QUESTION FOUR
4a. Differentiate between comparative advantage and absolute advantage in international trade
(8 marks)
4b. State the three (3) assumption of Heckscher-Ohlin about production characteristics of trading countries. (7 marks)

QUESTION FIVE
5a. Carefully appraise the concept of factor endowments in global trade
(7 marks)
5b. Examine the main claims of the Stolper-Samuelson theorem in relation to trade
(8 marks)